REMARKS

Claims have been amended.

A first rejection of claims 22-43 is based in Section 101, but it is believed that the amendment obviates this rejection and reconsideration is respectfully requested.

The Section 102 rejection is based on alleged anticipation by a reference Cofod (WO 97/00483) that addresses the question of how to discover fraudulent transactions generated by particular entities based on transaction records. However the instant application is addressing the discovery of irregularities in financial transactions that indicate that there may be money-laundering transactions occurring relative to financial accounts.

These may seem similar, but they are different problems and they are addressed with different solutions, and the claims of the instant application as amended cannot be read on the Cofod reference's teachings.

First, the problem set is different. Cofod is trying to discover whether some entity is committing a fraud, i.e., a transaction or set of transactions that pretend to be legitimate per se, but are not legitimate transactions. Examples mentioned by Cofod include theft of money or services through fraudulent means, submitting insurance claims for unseen patients, and forging checks (page 1, lines 15 – 18. Cofod identifies the need as "specifically targeting the perpetrators of fraud or abuse ..." in lines 10 and 11 of page 3.

The problem set the instant application is directed to dealing with is one of financial irregularity, which specifically includes money laundering. Money laundering as generally understood encompasses the hiding of money in legitimate accounts and businesses to get rid of the taint through which the money became "dirty". Thus, hiding the proceeds of an illegal sale of contraband by making numerous small deposits in numerous branch banks instead of dumping it all into one account at one time is a common money laundering activity. Each individual transaction is, standing alone, legitimate. Transactions by which a sham charity receives money meant to b distributed to t rrorists may

15

be another such money laundering scheme. It is not generally illegal to deposit cash into a bank account, nor is it considered fraudulent, but it may be a part of a pattern of "irregular" financial activity that can be considered money laundering.

Likewise, the Cofod reference operates in a completely dissimilar manner from the operations of the Instant invention. Cofod filters through existing records to find their character first, then extracts rules based on this filtering activity. The rules Cofod derives from the Cofod database(s) is triadic, having one axis being related to "value", one related to "normalcy" and a third related to "change." Cofod even calls these by variable names, v, n, and d, respectively. Cofod sets up three distinct "processors" to accomplish this evaluation. (see Cofod pages 15, line 16 – page 17.) The applicant's invention has no such evaluative process. Instead the applicant's Invention relies upon predetermined rules that are individually adjustable and selectable by the institution using these rules, that is, those same institutions that have the relevant data. (See for example page 15, line 9 et seq.). Furthermore, the rules, laid out with particularity for example in claim 14, are not the same rules in Cofod. Cofod does not have any rules relating to international transactions, variations in currency, nor any mention of OFAC listings, for example. Additionally, the applicant's invention takes the transactions directly from the application programs and makes decisions about their "irregularness" value while allowing for other transactions to continue to process. Clearly, applicant's invention is capable of operating on a live system handling transactions (see page 9, only full paragraph, for example), unlike the Cofod disclosure which apparently operates on data in a static data base. Claim 43 for example clearly is directed to a process for intercepting a particular transaction while it is occurring. Applicant's Invention extracts data from the database related to the transaction, and runs this transaction related data through the set of rules relevant to it for the presence of a financial irregularity.

Accordingly, the claims have been modified to clarify that these claims apply to discovering financial irregularities in financial processing situations, and do so in a mann r that cannot be confused with or read on the method and

16

system that Cofod teaches to discover fraud. No preprocessing to discover what rules to apply is done in the applicant's invention as clearly indicated by the addition of claim features allowing the institutions to select from predetermined rules contrasted to the process of automatically generating rules based on the data that Cofod teaches. Also, Cofod is directed to finding entities committing fraudulent transactions, while these claims are directed to finding a pattern of irregularity in the transactions as seen in limitations. Finally, the rules themselves available in this application are in selectable example form set forth in claims 14, 35 and 57. The rules used and claimed herein are not found in the references.

Modification has also been made to overcome inconsistencies in the claim language itself in the above amendment, thus it is believed that the rejection based in Section 112 is also overcome.

Additional claims have been added to clarify that there is a separate archive data structure that can be used in the use of this invention.

Based on all these considerations and amendment, the applicant respectfully requests reconsideration and allowance of the claims.

Respectfully submitted,

_____ April 12, 2004
Michael B. Atlass
Attorney for Applicant
Reg. No. 30,616
Telephone No. 215-986-4111

Unisys Corporation
M/S E8-114
Unisys Way
Blue Bell, PA 19424-0001

17